to sanction new/additional capacity in computers only with export obligation; if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. P. NARAYANAN): (a) Yes, Sir. All units whose proposal was considered by the Government after 25th July, 1986 have been asked to export part of their production in respect of computers and peripherals.

The details of export of computers during past three years are given in the enclosed statement (*See* below).

(b) Projections for exports (Rupees in crores):

1987-88	1988-89	1989-90	
10.00	16 00	25.00	(hardware an allied item
80.00	144 00	300 00	Software)

(c) The Government has announced a software development and export policy in December 1986 which will give a boost to the software export. An Electronics & Computer Software Export Promotion Council has also been set up by the Ministry of Commerce to provide assistance to the exporters.

(d) Government are considering the general question of export obligation on computer manufacturers but no decision has been taken so far.

Statement

Export of Computers & Allied Products

(Value : Rs. in lakhs)

	1984		1985		1986	
	Qty.	Value	Qty.	Value	Qty.	Value
Computers . . .	2	3.10	15	38.70	47	197.47
Allied products . .	—	85.00	—	31.00	—	202.00
Software	—	2041.90	—	2799.30	—	4200.00

Computer export obligations of Modis and Hinditron

2240. SHRI BHAGATRAM MANHAR:

SHRI BIR BHADRA PRATAP SINGH:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Modis, who have been allowed computer collaboration with Olivetti of Italy, have been given an export obligation of only 10 per cent whereas M/s. Hinditron Computers Private Limited, Bombay, who has been allowed collaboration with DEC of USA, has been given an export obligation of 30 per cent, if so, the reasons therefor; and

(b) what is the percentage of export obligation imposed on each of the indigenous computer manufacturers, including those belonging to the small sector, who have been sanctioned new/additional capacity during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K P. NARAYANAN): (a) M/s. Modi have been allowed collaboration with Olivetti of Italy with an export obligation of 10 per cent of their ex-factory value of 50 per cent of (imported) raw materials and components whichever is higher, whereas M/s. Hinditron Computers Private Limited, Bombay have been issued a Letter of Intent (LOI) for the manufacture of computers with an export obligation of 30 per cent. Letter of Intent (LOI) was given to M/s. Modi in November 1985, when no export obligation was prevalent. Subsequently, at the time of approval of Foreign Collaboration, the above said export obligation was imposed on Modis by Foreign Investment Board (FIB). However, Ms. Hinditron with DEC collaboration was given LOI after the 30 per cent export obligation norms came into effect from July, 1986.

(b) From July, 1986 a uniform rate of export obligation i.e. 30 per cent of ex-factory value in respect of computer and 15 per cent of ex-factory value in respect of peripherals manufacture has been imposed on all units including small scale sector. However, prior to July 1986 there was no such compulsory export obligation. Those cases where LOI was given prior to July 1986 but Foreign Collaboration (FC) was considered after July 1986 the export obligation was 10 per cent ex-factory value of 50 per cent of (imported) raw materials and components whichever is higher.

Collaboration venture of US and Italian firms to manufacture computers

2241. SHRI BHAGATRAM MANHAR: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the two computer multinationals, M/s. DEC of USA and M/s. Olivetti of Italy, are being allowed to set up plants in collaboration for manufacture of computers in India with equity participation; if so, what are the broad terms and conditions imposed on them;

(b) what is the precise nature of the range of products they would make in India;

(c) whether it is a fact that the above two multinationals have been allowed to manufacture micro/ mini computers in India which, more or less, are already being manufactured in the country by quite a few units, including those in the small sector; if so, what is the justification for allowing multinationals in this field;

(d) whether certain export obligations have been imposed on these multinationals; if so, what are the reasons therefor; and

(e) whether Government are considering a proposal to waive their export obligation; if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. P. NARAYANAN): (a) Multinational companies for the manufacture of computers, have not been allowed to set up units in India. But two Indian companies have been allowed, namely: M/s. Hinditron Computers Pvt. Ltd. Bombay with only 40 per cent foreign equity participation from M/s. DEC of USA and M/s. Modi Xerox, New Delhi with 40 per cent foreign equity from M/s Ing. C. Olivetti & Co. SPA of Italy. As per the norms both these units are treated as Indian companies and not as Multinational companies.

(b) M/s Hinditron Computers Pvt. Ltd. will be manufacturing Micro